



*“Investing in Africa’s future”*

**COLLEGE OF HEALTH, AGRICULTURE & NATURAL SCIENCES**

**NAEC 405: AGRIBUSINESS STRATEGY**

**APRIL 2023**

**LECTURER: MRS. R. MUCHANYUKA**

**DURATION: 3 HOURS**

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### **INSTRUCTIONS**

- 1 Choose and answer 4 questions
2. Answer in Essay form
3. DO NOT Repeat Material

## **QUESTION 1**

**Read the passage and answer the questions that follow**

Agricultural exports have faced demand disruptions and some supply-chain issues due to the COVID 19 crisis. This has been most severe for the flower sector in Kenya, which collapsed after the lockdowns, but exported vegetables, nuts, coffee, and cocoa are all affected to some degree. In many cases, this is due to slowed demand owing to lockdowns in Europe, North America, and India, leading to closure of coffee shops and restaurants as well as processing facilities, for example for cashews in India. In some cases, this has been further exacerbated by supply-chain issues. For example, the suspension of international passenger flights has resulted in a reduction of about 75 percent in available cargo capacity and a twofold increase in cargo costs for the horticultural sector in Kenya, making it challenging to fulfil orders.

- a) Recommend 5 strategies that Kenyan farmers can implement so that they recover, they are prepared to continue business and they thrive even after the COVID crisis has ended (5)
- b) Describe and explain these strategies (10)
- c) Justify the strategies (10)

## **QUESTION 2**

Blend Blast is an upcoming company founded in Mutare which produces cordial drinks like Mazoe.

You have been asked to develop the following for Blend Blast

- a) Vision statement (5)
- b) Mission statement (5)
- c) Statement of values (5)
- d) Financial objectives (5)
- e) Strategic objectives (5)

### QUESTION 3

Mr Mpofu is a farmer in Manicaland who specializes on piggery production. He has been working on the same project with the same employees for over 10 years. His farm started well with very high returns but for the last 3 years, he has been failing to reach his normal production. His workers are no longer motivated and have been resigning. He does not know what to do as he has not changed a thing from what he used to do.

- a) Advise Mr Mpofu on strategies he can take to improve this predicament. (20)
- b) With examples, explain where we get our ethical values from. (5)

### QUESTION 4

- a) As the manager of a big farm, explain the leadership style(s) that you can practice to make sure that you reach your goals and you make profits with your customers satisfied. (15)
- b) What is the cobweb effect in economics? (10)

### QUESTION 5

Pepsi Company's mission statement is to **“to provide consumers around the world with delicious, affordable, convenient and complementary foods and beverages from wholesome breakfasts to healthy and fun daytime snacks and beverages to evening treats.”**

- a) According to the elements of a mission statement, assess the strengths and weaknesses of this mission statement (10)
- b) What strategies can this company have to ensure they realize or accomplish what their mission statement entails. (15)

### **QUESTION 6**

- a) Illustrating with an example, explain PESTEL analysis, where it is used and how it is used. (10)
- b) Use the PESTEL tool to make strategic decisions on starting a wheat production project. (15)

**End of Examination Paper**